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## **Internal Tensions Weaken Russia in Contest with West**

As the U.S.S.R. celebrated Stalin's seventieth birthday on December 21, Moscow, no less than Washington and London, faced serious problems in many parts of the world and was confronted with decisions of the greatest complexity.

The most pressing of these problems is not the "containment" policy of the West, which has checked communism in Western Europe but has not yet eradicated the causes of social unrest; it is the challenge to Moscow's leadership delivered by Marshal Tito. Believers in any dogma are disturbed most not by agnostics, but by heretics who, after having shared their faith, then reject it and evolve new beliefs.

Nor is it possible for Russian Communists to take comfort in the thought that Tito is a traitor to communism, much as they repudiate his interpretation. The Marshal proclaims himself more loyal to the original doctrines of Marxism and Leninism than Stalin who, in his opinion, has succumbed to the nationalist "deviation" of identifying the interests of world communism with those of the Russian national state. In the trials of Budapest, Sofia and Sarajevo the issue at stake was not so much whether the accused had worked for or against communism, as whether they had worked for or against Russia.

### **Dilemma of Communists**

The trials on both sides of the dividing line drawn by the Cominform revealed the often agonizing confusion in the minds of men who had sought anchorage from contemporary storms in Communist ideology only to find themselves adrift again on tides of nationalist conflicts they were

helpless to control. It is difficult for Westerners to grasp the terrible dilemma faced by many of the accused. They saw great hope in Russia and communism during the inter-war years—when they were jailed or driven into exile by reactionary governments in Eastern Europe and the Balkans—and now find themselves at odds with the Kremlin and with some of their own native fellow-Communists.

### **What Can Moscow Do?**

Where are they to turn? To Western democracy? So far this appears unlikely, since Stalin's Communist opponents share his hostility to the "imperialism" of "capitalist" nations—and even today the Yugoslav press describes the Greek government as "monarcho-Fascist." If Tito's example is followed, Communists outside Russia who repudiate Stalin will evolve their own versions of what Marx and Lenin taught, applicable to the conditions of their particular countries. National communism, which is rapidly spreading if one can judge by the ferment in Communist ranks not only in countries bordering on the U.S.S.R., but also in France and Italy, unquestionably weakens Moscow's claim to leadership of world communism. Ultimately, however, it may lead to a consolidation of Communist ideas and practices that might not otherwise have occurred. Even in China, Mao Tse-tung, who journeyed to Moscow for Stalin's birthday celebration, may sooner or later come to re-examine communism in the light of Chinese conditions and introduce his own brand of Titoism.

What can the Kremlin do to combat

these "deviations," actual or potential? Their suppression through execution or exile—on the pattern of earlier Russian purges of Right and Left "deviationists"—has been undertaken in countries still subject to Moscow's control, but suppression has two grave disadvantages. Not only does it disorganize and impede production, as was clearly demonstrated in Russia during the collectivization drive of the 1930's; when applied to non-Russian territories, it also threatens to arouse national resistance to Moscow's intervention. This resistance, as in Yugoslavia, may turn into active opposition, or take the form of a production slow-down, reported to be the case in Bulgaria. In either event the prestige and the material potential of the U.S.S.R. are thereby diminished.

Should suppression fail, will Russia resort to war to bring its neighbors into line? This possibility cannot be excluded. In the past, however, Stalin has indicated an awareness that attempts by Russia to subjugate other peoples might spell the doom of world communism. While the force of this calculation may have been blunted by the manifold difficulties of reconciling the national aspirations of Communists in such rival nations as Germany and Poland, Yugoslavia and Bulgaria, Albania and Greece, it may remain a deterrent to aggression.

The ideological turmoil among Communists has been aggravated by Russia's inability, for the time being at least, to furnish its supporters in other countries the machinery, tools and raw materials they need to carry out their programs of industrialization and agrarian moderniza-

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tion. Russia itself needs all the equipment it can produce—and has been eager to import what it can from more advanced countries, irrespective of ideological differences. In the long run, Communist regimes, no matter how sympathetic to Russia, may find themselves increasingly tempted to edge away from economic dependence on the U.S.S.R. and to seek trade with the West.

### **'Internal Contradictions'**

Nor is the U.S.S.R. itself immune to the "internal contradictions" that Communists usually regard as the exclusive attribute of non-Communist regimes. To give only one example, the Kremlin seeks to promote the unification of Germany, which would give the Soviet Union access to the capital goods produced by the Ruhr. Yet if the Russians are to satisfy the unification demands of the Germans, they may have to sacrifice the interests of the Poles, who acquired German territories after the war. Fear of this eventuality has already caused Polish Communists like Władysław Gomułka to look with apprehension at Moscow's policy and to emphasize Polish nationalist aspirations, thereby incurring accusations of Titoism.

But difficult as are the problems faced by the Soviet leaders, it would be a dangerous illusion to exaggerate the ease with which the U.S.S.R. can be "contained" or

defeated. It may be that, when Stalin passes from the scene, a "palace revolution" would throw Russia into confusion—but the West can hardly base a long-term policy on this calculation.

Nor is it possible to assume that the Russians are so inefficient that they will never be able to put their economy on its feet unless they introduce the private enterprise system and receive aid from the West. True, Russia is at least fifty or more years behind the advanced Western nations in its economic development—but it has shown capacity to learn modern techniques and, what is more important, to adapt them to the needs and abilities of an underdeveloped people. It has thereby set an example that other peoples now at the same stage of development may find of value, no matter how much they may oppose Russia and Communist political dictatorship. And while Russia has certainly suffered from its inability to import tools and machinery from the West, the Western nations, too, feel the pinch of losing their pre-1939 markets in Eastern Europe and the Balkans, and now in China.

There is a growing belief among American observers that in the "cold war" the United States must shift as soon as possible from the relatively negative policy of "containing" Russia to a positive course. Wide disagreement exists, however, as to the ingredients of a positive program. In

an address in New York on December 13, John Foster Dulles said that the United States should make clear "to the tens of millions of restive subject people in Eastern Europe and Asia that we do not accept the *status quo* of servitude that aggressive Soviet communism has imposed on them and that eventual liberation is an essential and enduring part of our foreign policy"—but did not specify whether liberation would be achieved by resort to arms or by other methods. He added, however, that the monetary cost of the program he envisages would be about 100 million dollars a year, with the possibility that the outlays now being made for military purposes might be eventually reduced.

Others familiar with conditions in Eastern Europe and the Balkans believe that promises of liberation from Communist regimes will not prove sufficient unless the United States can demonstrate by its own actions in areas where it exerts influence that it can offer effective alternatives to the Communist system. Those who hold this view contend that a carefully thought-out and adequately financed Point Four program should be the keystone of a positive program. Such actions, for example, as the decision of the ECA to back agrarian reform in Italy, in their opinion, are worth tons of American propaganda about democracy.

VERA MICHELES DEAN

## ***What Should United States Do in Formosa? (I)***

Now that positional fighting on the Chinese mainland has virtually ended and Chiang Kai-shek's sphere of action has been concentrated on Formosa, there appear to be three alternatives for the United States. The first requires direct intervention in further support of Chiang Kai-shek. The second entails repudiation of Chiang, an acknowledgment that the Nationalist government no longer exists, and (upon legal technicalities) an intervention by the Supreme Commander for the Allied powers in an effort to neutralize Formosa until a peace treaty has been signed. The third involves an early end to all American intervention with respect to Formosa, followed by United States decisions on long-range policy in view of the island's importance to economic recovery in the Far East.

Senator William F. Knowland, Republican of California, is the leading advocate of immediate military intervention and augmented economic aid for Chiang Kai-

shek on Formosa. But unless the American people are prepared for the possibility of war with Communist China at the risk of precipitating a third world conflict and bringing the United Nations organization to an end, Senator Knowland's proposals are not feasible. But to parry the thrusts of opposition spokesmen in Congress, the Administration may be tempted to announce a program of economic support for the Generalissimo while actually withholding military aid. Such a course would be only a delaying tactic; it would not constitute a policy and would provide no real decision on our relations with Communist China.

### ***Weakness of Formosa***

Chiang beleaguered on Formosa is even less useful as an ally than he was on the mainland under the most favorable conditions. To continue either military or economic aid now would only serve his personal ambitions briefly, for his military

and legal position is untenable. Throughout 1949 a maximum share of all material aid shipped to China from America and from Okinawa has been diverted to the Generalissimo's rusting, unutilized stockpiles on Formosa. Despite news comment which speaks of the island as a "bastion," a "fortress" and a "personal stronghold," there is little probability that Chiang's local headquarters there will last through the first weeks of the new year. Purge after purge of his own followers is reported. Of the 300,000 Nationalist troops which have been quartered on Formosa in towns and villages during the past year, it is now reported that Chiang's chief military aid, Chen Cheng, trusts only 60,000.

If these troops of doubtful loyalty are added to the estimated 700,000 mainland civilian refugees already burdening the island's economy, it means that on Formosa there are nearly one million aliens, insecure, without local ties and without

determination to support the Generalissimo in time of crisis. Their mainland home-sites are occupied by the Communists. They are surrounded by hostile Formosan-Chinese. They are refugees from the Communists, yet may be the first to desert to the Communists when the island is attacked from the mainland.

Chiang's legal position on Formosa is as weak as his military position appears to be. When Japan surrendered, Formosa was provisionally entrusted to the Generalissimo pending the signing of a peace treaty and formal transfer of sovereignty to the "Republic of China." China's remaining gold reserve is reputedly on Formosa, sequestered by the Generalissimo for use by his headquarters when he withdrew from the government in early 1949. Some archives are there also. Premier Yen Hsi-shan and a number of cabinet officers have fled to the island from Chengtu. But the acting President of China, General Li Tsung-jen, bitter rival and political opponent of Chiang, is in the United States. The only active Nationalist military forces in China proper are retreating to Hainan Island, 700 miles from Formosa. They are under the command of General Pai Chung-hsi, who is also an opponent of Chiang and a colleague of the acting President. Thus, Chiang's total assets scarcely constitute a government with which the United States can confidently collaborate on a policy that, in Sen-

ator Knowland's terms, requires the military reconquest of mainland China.

Meanwhile, at Lake Success, the shattered Nationalist government continues to be represented and recognized in the UN Security Council. The Peiping regime demands recognition. Washington must soon make a decision, for the Charter of the United Nations makes no provision for a vacancy in the Security Council or for rival claimants to one seat. Burma has already recognized the Communist government. Of the great powers, it is probable that Britain will lead in recognizing the new regime and will be followed by a majority of the United Nations. This country would then have to retire from its isolated support for the Generalissimo's headquarters in Formosa, and the way would be cleared for a new policy.

### ***U.S. Intervention?***

A second alternative would be a final, irrevocable repudiation of Chiang Kai-shek as an ally of American interests and a declaration that the Nationalist government has ceased to exist. An immediate military intervention in Formosa might follow on the ground that since the Nationalists' "provisional government" no longer exists, responsibility for this former Japanese colony reverts automatically to the Supreme Command for the Allied Powers. The Supreme Commander might then create a military administra-

tion or a supervisory commission which would undertake temporary trusteeship or another form of inter-Allied control pending the conclusion of the peace treaties and, perhaps, a plebiscite enabling the Formosans themselves to help determine their own future.

Such forthright intervention obviously involves risks and great difficulties, not least of which would be control and dissolution of Chiang's headquarters, the care of stranded mainland refugees and the reallocation of present economic and administrative responsibility. Although many Formosan-Chinese might welcome this course—they begged in vain for Allied intervention in 1946 and 1947—the Communist government in China would be unyielding in its demands for full authority in Formosa and unsparing in its efforts to disrupt and unsettle normal administration.

GEORGE H. KERR

(The first of two articles on the alternatives the United States faces on Formosa. After five pre-war years of study in Japan and Formosa, Mr. Kerr served for two years as consultant on Formosa in the War Department and, as a Lieutenant in the Naval Reserve, created and directed the Navy's research unit on Formosa at Columbia University. He was Formosa specialist in O.N.I., and assistant naval attaché at the United States Embassy in China, with duty on Formosa, where he witnessed the Japanese surrender and took part in the establishment of the Nationalists. From 1946 to 1947 he was American vice-consul and Foreign Service staff officer on Formosa. At present he is with the Hoover Institute and lectures in the Department of History at Stanford University.)

## ***UN's Arab Relief Project Offers Stop-Gap Aid Only***

United Nations acceptance of the recommendations of the Palestine Economic Survey Mission (headed by Mr. Gordon Clapp), submitted in an interim report on November 16, paves the way for alleviation of the economic distress of the Arab refugees and their host countries. It does not, however, end the political impasse between Israel and its neighbors. The interim report reflects, instead, a continuing state of tension in the Middle East and indicates that to reach even these limited recommendations much compromise and persuasion proved necessary. The report recommends a decrease in direct relief and a series of short-term work projects designed to absorb refugee manpower and expand the production and distribution facilities of the Arab states.

### ***Limited Objectives***

By limiting its recommendations to small-scale, local undertakings, the Sur-

vey Mission avoided political issues and facilitated Arab and Israeli cooperation. The report makes it clear that the mission was able to secure such cooperation only by concessions to political realities. Israel's stand against accepting more than 100,000 Arab refugees has not changed; and the Arab states remain equally adamant in their opposition to a formal resettlement program.

This became evident at the meeting of the General Assembly's Special Political Committee at Lake Success on December 2 when the Arab government, led by Egypt, insisted on and obtained passage of a paragraph reaffirming the provision in the resolution of a year ago (December 11, 1948) "that the refugees wishing to return to their homes and live at peace with their neighbors should be permitted to do so . . . and that compensation should be paid for the property of those choosing not to return. . . ." Only after obtain-

ing this assurance from the UN and the promise that relief would not be reduced arbitrarily but solely at the discretion of UN authorities working in the Arab states, did the Arab governments join in establishing a new UN Relief and Works Agency for Palestine Refugees.

Thus the original United States conception of an over-all economic development plan that would provide strong inducements to Arabs and Israelis to work together and to resettle Arab refugees outside Israel permanently has gone the way of previous plans for achieving peace in Palestine. In view of this development the pessimistic tone of the Clapp report seems justified when it states: "These measures, together with those which the Mission, in a . . . final report, will suggest for the greater use by the peoples and governments of the Near East of the still undeveloped riches of their own lands, will not alone bring peace. But if the Palestine



refugees be left forgotten and desolate in their misery, peace will recede yet further from these distracted lands."

## United Arab Front?

Recent events in the Middle East strengthen this impression of pessimism. The Arab attempt to overcome a pervasive sense of frustration and failure has resulted in an agreement to conclude a collective security pact which, if ratified, may have far-reaching political effects. This decision, taken at the long-deferred meeting of the Arab League in Cairo in October, indicates a fresh determination to repel what the Arabs firmly believe—rightly or wrongly—to be further threats to their territory. At the same time an Arab committee on Palestine policy was revived. First evidence of its activity came when representatives of seven Arab states called at the Department of State on November 14 to urge renewed Israeli cooperation with the UN Conciliation Commission and to request United States support in carrying out UN decisions. In the face of Israel's rejection of indirect peace talks through the Conciliation Commission, this visit was an attempt to serve notice to the world that the Arabs had now taken the role of defenders of a settlement through the UN.

The significance of this move lay in the re-emergence of a united Arab front on Palestine which, if it endures, threatens Israeli hopes of achieving separate peace treaties with the Arab states. Similarly, if and when the Arabs adjust their internal rivalries sufficiently to reach agreement on mutual defense, a new phase—and a potentially dangerous one—in Arab relations with Israel will begin.

## Arab League Goals

From the Arab point of view this defense strategy, devised by the Secretary General of the Arab League, Rahman Azzam Pasha, is designed to achieve several objectives. If successful, it insures the continuing leadership of Egypt, the strongest of the Arab states. It will weaken for the present such schemes as the Fertile Crescent union of states on the northeastern perimeter of the Arabian desert. It eliminates the possibility of a split between those states which might be drawn

eastward into an alliance composed of Iraq, Jordan, Iran and Pakistan, and those gravitating toward Egypt—namely, Syria, Lebanon, Saudi Arabia and Yemen. Most important of all, it would provide a framework for economic and political, as well as military, cooperation.

It has been Azzam Pasha's idea that the evolution of a concrete defense system between the Arab states would lead to constructive cooperation on such matters as a customs union, free movement across borders and naturalization of displaced Arabs. The significance of the various Cairo decisions lies not so much in any possible immediate military alliance as in the re-emphasis on the persistent idea of unity based originally on historic experience and today on the common desire to eliminate the remnants of Western political influence. Hence if the united Arab front holds, if the defense pact ever becomes a reality, and if the Arabs remain unconvinced of Israel's peaceful intentions, the possibility of a shift from tentative to final peace will be remote.

In the light of these developments, which coincided with the visit of the Clapp mission, the mission's interim report necessarily offers an emergency stop-gap and little more. The Arab refugee problem remains a powerful bargaining point in Arab hands.

GEORGIANA G. STEVENS

(Mrs. Stevens was a political analyst in the Office of Strategic Services during the war and has since lived and traveled extensively in the Middle East.)

## Should U.S. Re-Examine Foreign Policy?

From many quarters come suggestions that the United States, four years after World War II, should analyze anew the objectives and methods of its foreign policy. YOU can prepare yourself for this prospective restudy. READ:

SHOULD THE U.S. RE-EXAMINE ITS  
FOREIGN POLICY?

Vera M. Dean, December 15, 1949

THE UNITED STATES AND WORLD TRADE  
Harold H. Hutcheson, January 1, 1950

MILITARY ESTABLISHMENT OF U.S.

Blair Bolles, September 1, 1949

*Foreign Policy Reports*—25c.

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## News in the Making

**FREER TRADE FOR EUROPE?** European nations are making slow progress toward the ECA's goal of greater economic integration. A conference of United Kingdom and Scandinavian experts, called to formulate plans for a "Uniscan" trade bloc, ended indecisively on December 17, and Britain was reported resisting ECA strictures against the double pricing of coal. However, new discussions in Paris centered around a proposal for establishing a monetary fund or "clearing union," backed by 200 to 500 million dollars of Marshall aid, as a means of liberalizing intra-European trade.

**KAFFEEKLATSCH:** Latin American coffee growers are not immediately benefiting by the American boom in coffee prices. Since the price the grower receives is fixed by contract, Brazilian and other producers are caught in a squeeze play. They are therefore tempted to break their contracts and increase output to profit by the rise in prices—knowing, at the same time, that higher prices will stimulate competition from the East Indies and from Africa.

**INDO-CHINA ON THE BRINK:** With the arrival of Chinese Communists on the Indo-Chinese border, United States support for the French-sponsored regime of Bao Dai may become more concrete. Although the State Department has verbally favored Bao Dai rather than the Viet Nam Republic led by Moscow-trained Ho Chi-minh, it has opposed military aid to the French for use outside the Atlantic area. On December 17, however, a French Foreign Office spokesman aroused speculation about a reversal of this policy by stating that the United States had removed conditions in its military aid program which "might embarrass us."

**SINO-JAPANESE TRADE?** Japanese pressure for expanded trade with Communist China is mounting despite non-recognition of the new Chinese regime by the United States. The Japanese Business Managers Association has set forth a program arguing that the sale to China of chemicals and manufactures in exchange for raw materials—the goods to be carried by Japanese vessels—would reduce Japan's dependence on American aid.